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BOB STUMP



MICHAEL P. KEARNS
Interim Executive Director

ARIZONA CORPORATION COMMISSION

July 8, 2009

Honorable Janice K. Brewer
Governor of Arizona
1700 West Washington
Phoenix, Arizona 85007

Honorable Kirk Adams
Speaker of the House of Representatives
1700 West Washington
Phoenix, Arizona 85007

Honorable Robert "Bob" Burns
Arizona Senate President
1700 West Washington
Phoenix, Arizona 85007

Dear Governor Brewer, Speaker Adams, and President Burns:

We understand how difficult the recent budget deliberations have been and the challenging task you have ahead to resolve the FY 2010 final budget bills. While our budget is not the most significant issue you have to resolve, we are writing to remind you to include the critical components that were in H.B. 2644 relating to the Commission in any budget legislation.

The first of three major pieces involved moving a portion of Corporations Annual Reports revenue from the General Fund to the Public Access Fund. This move is necessary to match a significant shift in our appropriation for the Corporations Division from the General Fund to the Public Access Fund. Without this statutory change, the Corporations Division would be crippled by losing over 50% of its funding. The second piece is statutory language to allow the Commission, by 4/5 or more vote, to change Securities dealers and salesman fees. Without this change, the Division would suffer another \$800,000 reduction, which would severely restrict our ability to protect vulnerable Arizonans from fraud, collect restitution for victims of securities violations, and recover penalties which go to the General Fund. The third is simply a Securities Division cash flow issue which allows Mutual Fund fees to temporarily be deposited into the Securities Regulatory and Enforcement Fund. Since almost all the dealers and salesman fees, which fund the Securities Division, are received in January each year, this cash flow solution is necessary to allow the division to operate in the first half of the fiscal year.

Governor Brewer, Speaker Adams, & President Burns
July 8, 2009
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We greatly appreciate all of the time and effort you and your staff have put in during the session to assist the Commission in passing a budget that allows us to address areas required by the Constitution and do not cost the General Fund. The statutory changes discussed above will make the passed budget work. Thank you for your consideration of this matter.

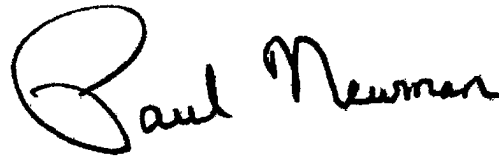
Sincerely,



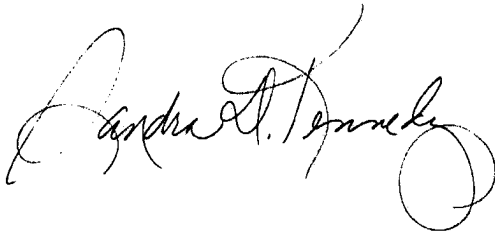
Kristin K. Mayes, Chairman



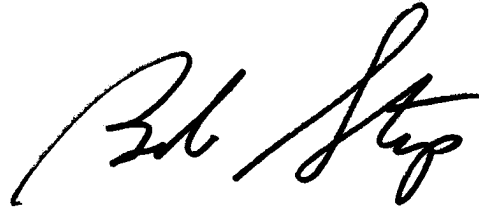
Gary Pierce, Commissioner



Paul Newman, Commissioner



Sandra D. Kennedy, Commissioner



Bob Stump, Commissioner

C: Senator Chuck Gray, Majority Leader
 Senator Pamela Gorman, Majority Whip
 Senator Jorge Luis Garcia, Minority Leader
 Senator Rebecca Rios, Assistant Minority Leader
 Senator Linda Lopez, Minority Whip
 Representative John McComish, Majority Leader
 Representative Andy Tobin, Majority Whip
 Representative David Lujan, Minority Leader
 Representative Kyrsten Sinema, Assistant Minority Leader
 Representative Chad Campbell, Minority Whip